GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:385
ANSWERED ON:24.07.2001
RECOMMENDATIONS OF ERC ON COAL MINING
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of COAL be pleased to state:

(a) whether Expenditure Reforms Committee has requested the Government to make certain sacrifices by the Railways and State Governments and Coal India Limited to make Coal mining activity viable in the country;

(b) If so, the details thereof; and

(c) the reaction of the Government with regard to lower the tariff ?

Answer

MINISTER OF STATE FOR COAL (SYED SHAHNAWAZ HUSSAIN)

(a),(b) & (c): The Expenditure Reforms Commission has mentioned that excess levies by the State Government by way of royalty etc. and the freight charges by Railways on transportation of coal has adverse impact on the coal costs.

The matter of rationalization of royalty on coal including the issue of adoption of advalorem basis is under consideration of a Committee headed by Additional Secretary (Coal). The Committee will also take into account the suggestions of the Expenditure Reforms Commission. As regards the cess levied by the State of West Bengal, the matter is under adjudication in the Supreme Court of India.

The matter of reduction in freight rates on coal movement has been taken up with the Ministry of Railways to initiate steps to rationalize the rail freight structure, particularly for the long distance consumers of coal.